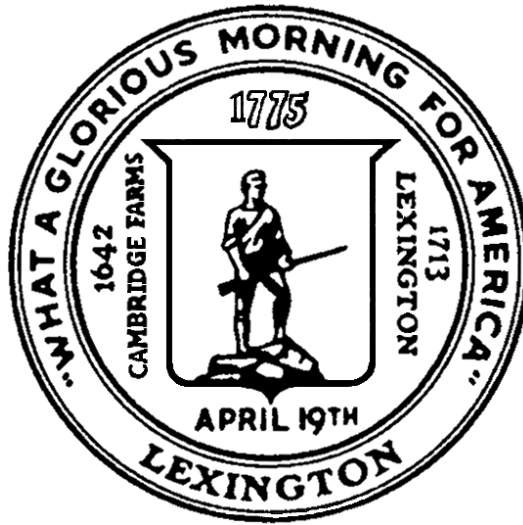


CAPITAL EXPENDITURES COMMITTEE

TOWN OF LEXINGTON



REPORT TO THE 2011 SPECIAL TOWN MEETING (STM) November 14, 2011

Released November 4, 2011

Submitted by:
Charles Lamb, Chairman
Ted Edson, Vice-Chairman
William Hurley
David G. Kanter
Shirley Stolz

Warrant Article Analyses and Recommendations

<i>Article 2: APPROPRIATE FOR BRIDGE AND BOWMAN SCHOOLS RECONSTRUCTION</i>	Funds Requested	Funding Source	Committee Recommendation
	\$21,670,000	General Fund (Excluded Debt)	Approve (5–0)

“To see if the Town will vote to appropriate a sum of money to remodel, reconstruct and make extraordinary repairs to the Bridge and Bowman schools, including architectural and engineering services, original equipment and landscaping, paving and other site improvements incidental or directly related to such remodeling, reconstruction or repair....”

“DESCRIPTION: ...Funds for the costs of design, engineering and generation of construction documents were appropriated at the 2010 and 2011 Annual Town Meetings.”

[Town of Lexington Warrant to the 2011 STM, November 14, 2011]

This article enables the Town of Lexington to preserve the Bridge and Bowman Elementary Schools for educational purposes for the foreseeable future. The work entails repair and general construction of essential mechanical, electrical, and heating, ventilating, & air-conditioning (HVAC) systems, as well as the addition of classrooms to accommodate present and anticipated enrollment.

The total-project cost—which includes the \$1,030,000 previously appropriated for the design & engineering (D&E) (\$750,000 at the 2010 Annual Town Meeting [ATM] under Article 16(c) and the \$280,000 at the 2011 ATM under Article 13(a)—has increased from the \$19,370,000 reported at the 2011 ATM based on the estimate at what was then the schematic-design stage to \$22,639,000 based on the just-completed 80%-construction-drawings stage. (Note: Still to be determined are the extent of, and additional costs for, screening of roof-top air-handling units at both schools for acoustic and esthetic purposes.) An increase of that magnitude—\$3,269,000 or 16.9%—is not that extraordinary when taking a phased project of this complexity from schematic to just about bid-ready.

The biggest contributor to that increase is an additional \$1,121,000 to help ensure the phasing can be accomplished so as not to cause unexpected impacts on the use of those schools during the academic year. The next biggest is \$850,000 to recognize that the bidding environment is now not expected to be as beneficial to the Town. The process of the more-detailed design accounts for \$773,000 with the HVAC and electrical work being a major factor. The more-detailed review of what’s needed to meet building-code requirements accounts for \$300,000. And finally, refined hazardous-materials (hazmat) abatement, for \$125,000, and noise abatement, for \$100,000, account for the balance of the increase.

In the continuing process of evaluating what project scope is appropriate so as to provide an educational capability in those two schools that is comparable with other schools in the district and provides the needed facility upgrades, in building the current estimate, \$375,000 of items were found that were not needed in this project: \$114,000 of exterior painting, lockers, and FF&E (furniture, fixtures, & equipment) and \$261,000 of generator enclosures, new doors, and excess capacity in uninterruptible power supplies (UPS). Also, \$1,120,000 for window replacement that is currently included in the project estimate may be structured as a bid alternate.

This Committee has considered the arguments for replacing, not renovating, these two schools, but find that approach is neither fiscally wise nor prudent when considering the educational impact.

– Fiscally, there’s no reason for expecting the building of two new schools wouldn’t cost at least about \$80 million (twice the rounded-up, currently-estimated cost of the new Joseph Estabrook Elementary School, without considering inflation). Even if the Massachusetts School Building Authority (MSBA) were still to be operating under the current procedure with regard to one project at a time from a

municipality and, if it—over time—accepted both schools (which we consider unlikely in less than a decade based on the MSBA’s current evaluation of those schools’ conditions being “generally good”), and if it were still providing about 32% reimbursement, the total cost to the Town would still be at least on the order of \$54 million—and with the likely-by-then inflation, much more than that. So, with the emergency need to rebuild the Joseph Estabrook Elementary School, and replacement of the Maria Hastings Elementary School being the next higher priority, we don’t find it reasonable to expect the Town would have an approved project for even the first of the Bridge and Bowman schools (including swing space) in less than 8 years and with MSBA funding assistance. Believing that, our reasonable expectation remains that the Town would face at least an \$80 million cost for new Bridge & Bowman schools. This Committee believes the proposed project at about \$22.7 million is the wise approach.

– Then turning to the educational impact, the current state of both of those schools means those students do not have the benefit of what this Town considers the appropriate educational environment. While this Committee recognizes that new schools would correct that, we are fully prepared to accept the judgment of our School Superintendent, the Principals of these two schools, and the School Committee that the proposed project will do so, also. But most significant to this Committee, these proposed renovations to upgrade the Bridge and Bowman schools will be on line in just 2 years once construction has begun under the currently projected construction schedule—not some indeterminate period that may well be a decade and, even then, a period filled with numerous uncertainties, both known and unknown. Addressing now the creation of the appropriate educational environment for the students served by these two schools is the prudent approach.

This Committee unanimously supports this proposed renovation project and believes it is the appropriate solution to the educational needs and proper use of our taxpayer’s funds.

<i>Article 3: APPROPRIATE FOR FIRE COMMUNICATION SYSTEM</i>	Funds Requested	Funding Source	Committee Recommendation
	\$180,000	General Fund (Cash)	Approve (5–0)

“To see if the Town will vote to appropriate a sum of money to upgrade the Fire Communication System....”

“DESCRIPTION: The Fire Department has been experiencing recurring problems with its radio communications system in certain parts of the Town that have resulted in temporary losses of communications. A team composed of representatives from the Fire Department, Police Department, MIS, Dispatching and the Town’s radio consultant are recommending the following upgrades to the radio system to stabilize the system and bring it to acceptable standards of reliability by making the following improvements: 1) the addition of two radio repeaters; 2) converting the repeater at the Dispatch Center to a transmitter; 3) installation of fiber optic communications lines to those portions of the system that are connected via leased copper phone lines; and 4) replace and upgrade two repeaters that are incompatible with the overall communications system. Some portion of the improvements may also include the Police radio system where fire and police share common radio sites.”

[Town of Lexington Warrant to the 2011 STM, November 14, 2011]

The current Fire Department radio system has proven to be somewhat unreliable, thereby presenting a potential public-safety issue. This Article requests an FY2012 appropriation, using what is now understood to be excess tax-levy capacity, to provide a near-term upgrade to the radio system to enhance its reliability. (An additional appropriation is expected to be requested at the 2012 Annual Town Meeting for FY2013 D&E monies for an even-more-robust, redundant, radio system for all of the Town’s needs, public safety and other—to be followed by a "construction" request in the FY2014 budget.)

CAPITAL EXPENDITURES COMMITTEE REPORT TO 2011 STM (NOVEMBER 14, 2011)

The current problem stems from a variety of factors including antiquated and unreliable copper phone lines (from dispatch to transmitter), incompatibility between systems caused by new Federal Government regulations, dead zones due to the existing transmitter topology, and environmental factors (e.g., trees falling on lines). The upgrade to be funded under this Article will make use of existing Town-controlled fiber-optic lines, new network equipment, and new radio repeaters. The follow-on appropriations (in FY2013 and FY2014) will add redundancy to the system—likely to include, among other solutions, installing microwave links between the repeaters and control points. It is contemplated that such microwave links would become the primary links and the fiber links will become the backup links.

Article 5: ESTABLISH AND APPROPRIATE TO SPECIFIED STABILIZATION FUNDS	Funds Requested	Funding Source	Committee Recommendation
	Transfer \$28,500.01 into the Traffic Mitigation Stabilization Fund & Transfer \$10,500.00 into the Transportation Demand Management (TDM) Stabilization Fund	Cubist Pharmaceuticals, Inc. (“Cubist”)	Approve (5–0)

“To see if the Town will vote to create and/or appropriate sums of money to Stabilization Funds in accordance with Section 5B of Chapter 40 of the Massachusetts General Laws for the purposes of: ... (b) Traffic Mitigation, (c) Transportation Demand Management,...(f) Center Improvement District; (g) Debt Service, (h) Transportation Management Overlay District (TMO-1)...”

“DESCRIPTION: ...The use of these funds may be appropriated for the specific designated purpose by a two-thirds vote of Town Meeting.”

[Town of Lexington Warrant to the 2011 STM, November 14, 2011]

For the above remaining-cited five Stabilization Funds—which are those having capital implications—at the time of writing this report, this Committee is only aware of actions affecting two of them: a \$28,500.01 balance to be transferred into the Traffic Mitigation Stabilization Fund and a \$10,500.00 balance to be transferred into the TDM Stabilization Fund. Both balances reflect funds provided to the Town by Cubist in accordance with the Memorandum of Understanding that accompanied the amendment at the November 2009 Special Town Meeting of the Planned Commercial District (CD-9) to allow more intense development in the Cubist portion at 65 Hayden Avenue.

Article 6: APPROPRIATE TO STABILIZATION FUND	Funds Requested	Funding Source	Committee Recommendation
	Not Applicable	Not Applicable	Approve Indefinite Postponement (5–0)

“To see if the Town will vote to appropriate a sum of money to the previously created Stabilization Fund...”

DESCRIPTION: ...These funds may later be appropriated, by a two-thirds vote of an Annual or Special Town Meeting, for any lawful purpose.

[Town of Lexington Warrant to the 2011 STM, November 14, 2011]

CAPITAL EXPENDITURES COMMITTEE REPORT TO 2011 STM (NOVEMBER 14, 2011)

At the time of writing this report, this Committee understands that no appropriation is planned under this Article and, thus, it will be moved to be Indefinitely Postponed.

Article 7: APPROPRIATE FOR AUTHORIZED CAPITAL IMPROVEMENTS	Funds Requested	Funding Source	Committee Recommendation
	\$65,000 for Clarke Middle School Paving Improvements & \$35,000 for Cary Memorial Library Document Archive	\$65,000 General Fund (Cash) + \$35,000 Community Preservation Fund	Approve (5–0)

“To see if the Town will vote to make supplementary appropriations to be used in conjunction with money appropriated in prior years for the installation or construction of water mains, sewers and sewerage systems, drains, streets, buildings, recreational facilities or other capital improvements and equipment that have heretofore been authorized; determine....”

“DESCRIPTION: This is an article to request funds for capital improvement project expenditures that exceed the level of appropriation.”

[Town of Lexington Warrant to the 2011 STM, November 14, 2011]

At the time of writing this report, this Committee is only aware of two actions to provide such supplemental funding under this Article to prior appropriations:

Clarke Middle School Paving Improvements (2011 Annual Town Meeting, Article 13(e), \$125,000, General Fund (Debt)): That appropriation was to address construction of two pedestrian-safety-related projects. One was to relocate a parking lot; the other, construction of a sidewalk from the Clarke pedestrian bridge over Clematis Brook to Brookside Avenue. When bids were opened on May 17, 2011, the low bid for relocating the parking lot was about \$105,000 and for the sidewalk—which had been made an add alternate—was \$69,000. The request for an additional \$65,000 is based on recognizing that the response to a new bid is likely to be on the order of \$75,000, providing contingency funding of \$10,000, and planning to use the about \$20,000 remaining for the original appropriation.

Cary Library Preservation Project—Archives (2010 Annual Town Meeting, Article 8(h), \$100,000, Community Preservation Fund): That appropriation was to design, engineer, and construct a fireproof, climate-controlled room (using part of an existing storage room) for valuable, irreplaceable, historic materials owned by the Library. After about \$12,000 having been spent on D&E, there is an \$88,000 balance available for construction. The bids from companies to act as general contractors came in between \$130,000 and \$163,000—which would represent a \$42,000-to-\$75,000 shortfall in available funds. The request for only an additional \$35,000 is because the Department of Public Facilities now plans to be the general contractor and contract directly with State-approved trade-contractors for the performance needed in the various construction disciplines. That request is expected to allow for all the required construction performance and also include about \$4,200 for efficient, archival-storage, shelving.